

BAKER DONELSON

BEARMAN, CALDWELL & BERKOWITZ, PC

BAKER DONELSON CENTER,
SUITE 800
211 COMMERCE STREET
NASHVILLE, TENNESSEE 37201

MAILING ADDRESS:
P.O. BOX 190613
NASHVILLE, TENNESSEE 37219

PHONE: 615.726.5600

www.bakerdonelson.com

ALBERT LOUIS CHOLLET, III, OF COUNSEL
Direct Dial: 615.726.5741
E-Mail Address: achollet@bakerdonelson.com

May 6, 2020

Reid Leitner Law Group, PLLC
Attn: Reid Leitner
201 Fourth Avenue North, Suite 1470
Nashville, Tennessee 37219
reid.leitner@reidleitnerlaw.com

Re: April 24, 2020 Notice by Neely Engineering & Contracting, LLC

Dear Reid:

By this letter, Baker Donelson provides Wonder Porcelain Group LLC's response to Neely Engineering & Contracting, LLC's Notice of Termination, Notice of Intent to Seek Relief for Nonpayment, and Notice Pursuant to TCA §66-11-101 in connection with Container House No. 1, Dormitory Nos. 2-6, and Trench and Pit ("Prompt Payment Notice and Demand"), received by Wonder Porcelain on or about April 27. By prior correspondence dated May 1 and May 4, respectively, Wonder Porcelain acknowledged receipt of the Prompt Payment Notice and Demand, requested Neely's agreement for an extension to May 8 for Wonder's response, and agreed to participate in non-binding mediation as demanded by Neely regarding the matters in Neely's demand. Neely has not yet responded to Wonder Porcelain's letters, including Wonder's confirmation of agreement to non-binding mediation relating to all disputed claims. I therefore request that you please confirm Neely's agreement to participate in a mediation process for the disputed claims.

As an initial matter, Wonder Porcelain vehemently denies that Neely has grounds to terminate the contracts per the April 27 correspondence. First, Neely performed defective work in violation of code and contract and fundamentally failed to establish its entitlement to its claims. Second, Neely has failed to provide notice and opportunity to cure pursuant to Tennessee law with regard to any defects or failures to perform by Wonder Porcelain. Finally, Neely's notice falsely presupposes that the purported termination is grounded in any enforceable contractual provision which binds Wonder.

Moreover, Neely's Prompt Payment Notice and Demand is insufficient and disputed. Indeed, the Prompt Payment Notice and Demand itself acknowledges and recites the substantive discussions and disputes concerning the validity of changes and claims asserted by Neely. Neely has been provided timely notice of the disputed claims which include, without limitation, the defects and numerous code violations associated with Neely's work on Dorm No. 1 leading to the cessation of that project, Neely's request for change orders for work otherwise in the original scope of the contract(s), and Neely's failure to furnish substantiating documentation relating to entitlement and quantum for various claims. Notwithstanding the existence of bona fide disputes between the parties, and without waiving the same, Wonder Porcelain does acknowledge that certain claims asserted by Neely may be extricated from the broader dispute and paid at this time. Those claims for which Wonder Porcelain offers payment at this time include the following:

Contract/Project	Neely Description	Demanded by Neely	Wonder Porcelain Comment	Payment Offered
Dorm #1 -- Container House				
Dorm #2-6				
Dorm #2-6	COR1-1 Material Change (Revised per April 24 Correspondence)	\$ 39,803.75	Agreed to compromise dispute per Neely's April 24 correspondence	\$ 39,803.75
Dorm #2-6	COR1-2 Additional Labor (Revised per April 24 Correspondence)	\$ 29,745.00	Full Payment Offered	\$ 29,745.00
Dorm #2-6	COR1-3 Insulation Changes	\$ 5,550.00	Full Payment Offered	\$ 5,550.00
Dorm #2-6	COR1-4 Entrance Door	\$ 3,350.00	Full Payment Offered	\$ 3,350.00
Dorm #2-6	COR1-8 Electrical Changes	\$ 4,675.00	Full Payment Offered	\$ 4,675.00
Dorm #2-6	COR1-15 Radon Gas Mitigation System	\$ 6,610.00	Full Payment Offered	\$ 6,610.00
Dorm #2-6	COR1-6 Window Units Added	\$ 31,250.00	Full Payment Offered	\$ 31,250.00
Dorm #2-6	COR1-12 Ram-Hoe Rental and Rock Trench	\$ 13,850.00	Full Payment Offered	\$ 13,850.00
Dorm #2-6	COR1-11 Gravel Base for Temporary Site Access Control	\$ 3,100.00	Full Payment Offered	\$ 3,100.00
Dorm #2-6	COR1-7 Flooring / Carpeting Materials (revised per April 24 correspondence)	\$ 16,336.10	Agreed to compromise dispute per Neely's April 24 correspondence	\$ 16,336.10
Dorm #2-6	COR1-13 Topsoil and Backfill Soils	\$ 5,475.00	Full Payment Offered	\$ 5,475.00
Dorm #2-6	COR1-14 Concrete Sidewalks	\$ 6,055.00	Full Payment Offered	\$ 6,055.00
Trench & Pit				
Trench & Pit	Contract Balance -- Original Contract	\$ 117,000.00	Full Payment Offered	\$ 117,000.00
Trench & Pit	COR1-3 Intake Piping Embeds	\$ 17,520.00	Full Payment Offered	\$ 17,520.00

Any claims which are not included in the table above are disputed and are more appropriately resolved pursuant to mediation.

Please advise by May 11, 2020, whether your client will agree to accept payment specified herein in exchange for full satisfaction of the claims identified above. If so, Wonder Porcelain will furnish Neely with a draft full and final release specifically limited to the claims to be paid while reserving the rights of the parties to the disputed items.

I look forward to receiving Neely's response to the aforementioned payment offer. Wonder Porcelain reserves all rights under contract and law, and nothing herein shall be deemed a waiver or relinquishment of any such right or claim.

Best regards,

/s/ Albert L. Chollet III

Albert Louis Chollet, III, Of Counsel

Reid Leitner

May 6, 2020

Page 3

cc: Christopher M. Caputo